In view of the projected improvement in availability of gas in future and the limitations of the existing policy, the review of existing policy is under consideration of the Government.

(c) and (d) The fertilizer industry is being consulted to decide upon the broad contours of the new investment policy. The fertilizer industry through FAI has suggested a new investment policy based on import parity price for brownfield/ Greenfield plants as well as for expansion through revamp of existing units. The Government is examining all possible options including the above option as suggested by the fertilizer industry for finalizing the new investment policy.

**Re-opening of closed fertilizer units**

623. DR. M.A.M. RAMASWAMY: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that the Central Government propose to restart fertilizer factories lying closed;

(b) the total number of factories lying closed along with the period for which they have been lying closed; and

(c) whether these factories would be allowed to continue functioning in the public sector or is there any plan to sell these plants to private sector?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (c) The companies together with the date of closure of their units are indicated in the table below:

| Sl. No. | Name of the Company/Units | Date of closure |
|---|---|---|
| | **Fertilizer Corporation of India Limited** | |
| 1. | SINDRI (Jharkhand) | 05.9.2002 |
| 2. | GORAKHPUR (U.P.) | 18.7.2002 |
| 3. | TALCHER (Orissa) | 18.7.2002 |
| 4. | RAMAGUNDAM (A.P.) | 18.7.2002 |
| 5. | KORBA (Project not commissioned) (Chhattisgarh) | 30.7.2002 |
| | **Hindustan Fertilizer Corporation Ltd.** | |
| 1. | BARAUNI (Bihar) | 05.9.2002 |
| 2. | DURGAPUR (West Bengal) | 05.9.2002 |
| 3. | HALDIA (Project not commissioned) (W.B.) | 18.7.2002 |
| | **Pyrites, Phosphates and Chemicals Ltd.** | |
| 1. | AMJHORE (Bihar) | 16.6.2003 |
| 2. | SALADIPURA (Rajasthan) | 30.7.2002 |
| 3. | DEHRADUN (Uttarakhand) | 30.7.2002 |

The Government has decided 'in principle' to examine the possibility of revival of closed fertilizer plants of Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL) subject to the confirmed availability of gas.

The decision of the Government has been intimated to FCIL and HFCL for implementation. Fertilizer PSUs/Cooperative - Rashtriya Chemicals and Fertilizers Ltd. (RCF), National Fertilizers Ltd. (NFL) and Krishak Bharati Cooperative Ltd. (KRIBHCO) have shown their intention to participate in the revival process of certain units of FCIL and HFCL and accordingly process of preparing techno-economic feasibility reports has been initiated. There is no proposal to involve private sector in the revival process at this stage.

**Price of natural gas**

624. SHRI PRASANTA CHATTERJEE:
SHRI TAPAN KUMAR SEN:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the price of natural gas used by urea producing units in the country, unit-wise;

(b) the average price of natural gas per tonne of urea produced;

(c) the impact of the gas price quoted for K G Basin Gas on cost of production or urea; and

(d) the increase in subsidy with above quoted price of the KG Basin Gas *vis-a-vis* Gas priced under APM?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) The price of natural gas used by urea units is placed at Annexure.

(b) The notional average price of natural gas per tonne of Urea Unit wise is enclosed as Statement.

(c) The impact of gas price quoted for KG Basin gas on cost of production of urea will be different for each unit as the delivered gas price will vary depending upon the location of the unit. However, the existing units utilize on an average approximately 24 MMBTU of gas for production of one tonne of urea. If the KG Basin gas is used for substituting the costlier feedstock/fuel oil by existing units, there will be a reduction in cost of production. On the other hand, if this gas is used for substituting the dwindling supply of APM gas, there will be an increase in cost of production.

(d) The exact increase in subsidy with the quoted price of KG Basin gas *vis-a-vis* gas price under APM will depend upon the total allocation of KG Basiin gas to the fertilizer sector and the location of plants, which will be utilizing this gas. Assuming an average delivered price of KG Basin gas at US$ 5 per MMBTU against the APM gas delivered price of approximately US$ 2.5 per MMBTU, the use of KG Basin gas will increase the cost of production of urea by US$ 60 per MT of urea in existing units.